

Buy American: Should We Follow That Flag?



U.S. workers have lost 3 million manufacturing jobs in the last six years, and 1.5 million just since the recession began in December 2007. Manufacturing, once the bedrock of the labor movement as well as the economy, looks paler than ever.

So in Michigan and Illinois in the past month, Steelworkers rallied to "Keep It Made in America." Michigan mayors bragged about the home-grown police cars their cities had purchased, and a local AFL-CIO official reminded folks of their individual responsibility to buy the right thing.

"Buy American"—you love it or it makes you queasy. Some union members see it as the only way to save jobs; others think it undermines solidarity with workers in other countries and can morph into ugly jingoism and racism.

Dana Frank, pro-union historian and author of *Buy American: The Untold Story of Economic Nationalism*, says, "There's nothing wrong with a nation regulating its economy. But if you get obsessed with nationalism, you're going to miss who's your friend and who's your

enemy at home.

'Buy American' isn't always wrong, it's just barking up the wrong tree."

Frank worries that Buy American campaigns convince unions to partner with companies that are out to slit their throats. "If these companies that say Buy American wanted to help the *American* economy," she says, "they'd go for single-payer health care."

Two of our authors here argue for concrete solidarity with workers in other countries. That's a righteous long-term plan—but what about the jobs we're losing this year? There's a reason people look for quicker fixes like Buy American—even when there's evidence that they blow up in our faces.

The labor movement has come a long way from the crude racism of its 1980s Buy American campaigns. Some leaders today want to wave the flag in a way that doesn't inflame hostilities. Are they succeeding? Let us hear what's happening in your community: write to buyamerican@labornotes.org. □

—Jane Slaughter

Beyond 'Buy American': Sorting Allies and Enemies

by Judy Ancel

A union rep discussing the possible strike at AT&T said the work of his members came and went from locations all over the world. The production chain was so extensive that the union couldn't track it. He then said, sadly, "In this time of high unemployment, the company could be a leader and bring those jobs back here and be patriotic."

AT&T patriotic? They dropped "American" from their name a long time ago.

A UAW local president explained that buying American cars meant buying cars from the Big 3 automakers, because the transplants shipped their profits overseas, so we should shun even union-made cars of Toyota and Mitsubishi.

Does that mean that if Fiat buys Chrysler, we shouldn't buy their cars anymore?

On April 7 Steelworkers in Granite City, Illinois, held a Rally to Restore American Manufacturing, to protest the



Doug May/UAW Local 1899 (2)

Steelworkers rally in Granite City, Illinois, to protest the use of pipe from India on an oil pipeline from Canada to Illinois.

use of pipe from India on a mammoth oil pipeline from Alberta to Illinois. Two thousand workers at U.S. Steel's Granite City plant, which could make the hot-rolled steel for such pipes, are laid off. The rally was sponsored by the union and the Alliance for American Manufacturing, a partnership between the Steelworkers, U.S. Steel, and Allegheny Technologies.

But U.S. Steel and Allegheny Technologies also produce metals in England, Canada, China, Mexico, Slovakia, Serbia, and Brazil.

This "us or them" approach to jobs is happening everywhere. The rampage of job-killing is creating desperation among workers and their unions. They are being seduced by "Buy American" and steering toward economic nationalism—the doctrine that we will prosper by taking care of the American economy first and exclusively.

But Buy American is a giant distraction. It targets consumers rather than the corporations and governments who've

made the decisions that are killing our jobs.

When unions side with nationalism they confuse workers about who our allies are, who our enemies are, and what will advance our own interests. Without alternative strategies economic nationalism seems logical, but our history suggests it will take us onto the rocks. Why?

HATRED, VIOLENCE

Back in the 1970s and 1980s, when we were first starting to hemorrhage

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'Manufacture American' to Create Jobs

by Al Cholger

Staff Rep, United Steelworkers District 2

As a young man in Detroit, I could go from factory to factory putting in applications and get two or three calls the next day to report for work. I became a Steelworker at Great Lakes Steel Works in 1970—a wistful memory for me, and an urban myth for a 21-year-old today.

Real unemployment is at 18 percent in Michigan, and well over 20 percent in our abandoned industrial inner cities. Those in Washington are throwing a life preserver to the 15 percent of our economy based in banking and investment, and destroying the 70 percent driven by wages earned and spent.

What needs to be done is the direct opposite of more than 20 years of abandoning U.S. manufacturing for more profitable, lower-cost, highly polluting, exploitive, offshore production.

In the wreckage of this old economy, there is a vision of a new one worth fighting for. We need more workers, not less.

It is time for a new Social Industrial Revolution that rebuilds our roads and bridges with concrete and steel made in mills in our heartland. It is time to rebuild rail transport and new light-rail transportation. It is time that we rethink the automobile, and the auto plant.



Jim West/jimwestphoto.com (2)

Ford workers picket a Toyota dealer in 1992. "Buy American" was used frequently in coded attacks on Japanese, Chinese, or Mexican workers. But it isn't the workers from these countries who move jobs offshore.

Auto workers could build light rail and other forms of public transit, as well as cars. The 2,200 Steelworkers on furlough at Great Lakes Works can produce tons of steel to build wind generator towers instead of metal to build cars.

CITIES SAY 'BUY AMERICAN'

This is why Steelworker activists are organizing support for a Buy American resolution. It commits cities, counties, and states that receive money from the

February stimulus bill to use it to purchase products and services that are made in America, whenever possible.

As the resolution says, "Our taxpayer dollars should be spent to maximize the creation of American jobs and restoring the economic vitality of our communities."

The bill has been introduced in more than 600 communities, with very little resistance from elected officials. We use talking points such as a University of Massachusetts study that found infrastructure investments could create as many as 18,000 jobs per \$1 billion spent.

"Buy American" used to be code for attacks on Japanese, Chinese, or Mexican workers. But it isn't the workers from these countries who move jobs offshore; it's the owners and investors of the companies who have wrecked our economy, laid waste our communities, and shortchanged our hospitals and schools, while filling their own pockets.

We are not falling prey to the old arguments of division and hatred, but for a new economy that encourages solidarity with workers, across all borders.

SOLIDARITY: THE DIFFERENCE

The international solidarity work that the Steelworkers do—with endangered unionists in Colombia, with our union partner Unite in Britain, with Brazilians, and supporting Mexican copper miners from Los Mineros at Cananea—has made a difference. At a gut level we get it—and that is reflected

'American' Manufacturers Have No Country

The Alliance for American Manufacturing (AAM) was founded in 2007 as a partnership between the Steelworkers and several of their largest employers. The goal is simple: to restore manufacturing to its once-central role in the U.S. economy and replace some of the more than 5 million manufacturing jobs lost in the last decade.

To "Keep America Strong," AAM promotes the Buy American cause. But AAM companies have no country. They've been part of destroying the standards that the Steelworkers are fighting so hard to defend.

Take one of the leading lights in the AAM, U.S. Steel. While condemning unfair trade rules and currency manipulation by the Chinese government, the company has aggressively expanded internationally.

A decade ago U.S. Steel had no international holdings, but today 23 percent of its sales come from its European plants. Since 2002 it's put a third of its capital investments into its European operations.

Meanwhile, as a condition of U.S. Steel's purchase of bankrupt National Steel, union pension obligations were unloaded onto the federal government and retiree health care was cut dramatically.

GLOBAL, NOT LOCAL

AAM's very quiet member ArcelorMittal makes for an even stranger bedfellow. The global steel giant is the product of more than 50 international mergers, including the privatized national steel companies of France, Luxembourg, and Spain. It is a global company with less than 20 percent of its sales in the U.S. and less than 10 percent of the company's investment here.

The same is true for Alcoa, another AAM partner, which just announced it is cutting 13,500 jobs from its global workforce (13 percent of the total). Despite its name (Aluminum Corporation of America), only half of Alcoa's revenue comes from the U.S. and less than 30 percent of its fixed assets are here.

These companies are about as loyal to their American workers as the cast members of 'Survivor' are to one another.

—Mark Brenner

in the ways our campaign is interpreted at all levels of the union.

When rank-and-file Steelworkers meet Mexican mine-workers, and demonstrate at their embassy to tell the government of Mexico to keep its hands off Los Mineros President Napoleon Urrutia Gomez, it makes it clearer for our members that our Buy American campaign does not attack Mexican, or Japanese or Chinese, workers. You can't demonize foreign workers and support them at the same time.

It's a lesson I learned early in my union career, when I met South African workers who were fighting against harsh treatment from 3M Corp. They were here in solidarity with American workers who were in a life and death fight with 3M in Freehold, New Jersey.

People throughout the world need to support their local communities as they support other workers throughout the world. Just as "buying local" makes sense as an environmental rallying cry, it's reasonable as a healthy approach to the world economy.

International employers are often pressured to be more responsible by unions there. So it only makes sense to develop global unionism.

MANUFACTURE AMERICAN

We don't say just "Buy American" but also "Manufacture American." We focus on getting communities to support products that are produced locally. We don't distinguish a U.S. company from a foreign-owned one. We focus on where the jobs are being created and maintained, and which employers support living wages and benefits.

We know it doesn't work to guilt-trip our members about what they buy—it's not their fault they have a hard time finding American-made products.

The Main Street Recovery Program is another way Steelworkers discuss Buy American in local union meetings. This is a chance for a frank discussion about whose policies caused this recession, and what new policies are needed for a stable economy.

We talk about manufacturing work of the future. USW President Leo Gerard reflects on the potential for green jobs by saying, "There's got to be



50 tons of steel in every one of those windmill towers."

There are hundreds of vacant factories in our communities. It doesn't matter what kinds of machines sit in those factories: we can stamp fenders or we can cast parts for wind turbines. We have enough real estate to house any

kind of production, and enough out-of-work skilled people to do *any* new manufacturing work.

As the architects of this economic meltdown are replaced by the second string from the same team, a bold new path is in order.

Steelworkers are not trusting meek revisions of the same economic planning to stand in the way of what needs to be done. We are fighting for new work, to rebuild our economy. □



Corporations Attack 'Buy America' Stimulus on False Grounds

[Editor's note: When Congress debated a "Buy American" provision in the stimulus bill, some congressmen—and some corporations—went nuts. They said such a rule would violate trade pacts like NAFTA, or WTO regulations. They predicted a trade war. Although the mainstream press said President Obama then got Congress to weaken the Buy American provisions, in fact the final version adopted was stronger than the original. Here the director of Global Trade Watch takes a deeper look.]

by Lori Wallach

Firms that send U.S. jobs offshore claim that investing U.S. taxpayer funds in America is "protectionism," while falsely claiming that U.S. steel and iron requirements for highway and transit projects violate trade pacts.

But the stimulus package requirement that U.S. steel and iron be used for transportation infrastructure projects simply extends existing law (the 1982 Buy America Act) and is *exempt* from coverage under various trade-agreement procurement rules.

THEY'VE MOVED AWAY

Lobbyists from corporations such as Caterpillar and General Electric falsely claim that the U.S. iron and steel rules violate trade-pact rules. Perhaps the real reason these firms launched a fact-distorting PR and lobbying effort is because they have moved so much production away from the United States to low-wage foreign venues, meaning that their products may see less benefit from this injection of government spending.

The notion that these Buy America provisions will launch a global trade war is ridiculous. A report circulated by the WTO's director general January 23 concludes that the global economic crisis has so far provoked little "protectionist" reaction from governments in the form of increased tariffs or other

barriers to trade.

NOT FOR THE WTO

Of course, the bigger issue is why "trade" agreements should ever be encroaching into non-trade matters to impose any limits on how countries' legislatures spend taxpayer dollars.

The gall of some of America's worst U.S.-job offshorers daring to label investing U.S. tax dollars in America as protectionist is stunning. Or is it? These are the same firms that pushed for the World Trade Organization (WTO) and the North American Free Trade Agreement (NAFTA).

Indeed, the good name of "trade" has been trashed by corporations pushing to use trade agreements as delivery vehicles for policies that had been rejected by Congress.

The agreements imposed a much broader policy agenda, including radical financial services deregulation; extensions of medicine patents that jacked up U.S. consumer costs; limits on U.S. food-safety labeling and inspection policies; and limits on regulation of an array of service sector firms operating within national borders, including health insurance, hospital, and pharmaceutical-distribution firms.

None of these non-trade policies should be imposed through one-size-fits-all trade agreements. Rather, they should be decided in the more open, participatory domestic federal, state, and local legislatures.

At issue is how elected representatives may determine to best spend taxpayer funds to further the public interest. Taxpayers in all countries must have the right to decide how their tax payments are used. □



Beyond 'Buy American'

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manufacturing jobs and corporations were going global, labor reacted by advocating trade protections and Buy American. Toyota-bashing parties and blaming Mexican workers for stealing our jobs were commonplace.

Vincent Chin, a Chinese-American engineer in Detroit, was beaten to death by a laid-off auto plant supervisor, who thought Chin was Japanese. The killer got probation.

Further back, during the Depression, newspaper mogul William Randolph Hearst and industry leaders who stood to benefit backed the Buy America Act and formed Made in America Clubs to make it look like a popular movement. In 1938 the AFL's Union Label Trades Department added American-made to its union-made campaigns.

But the foreigner-bashing spilled over onto immigrants. Many union leaders joined in demanding that jobs go only to American-born workers. Between 1930 and 1935 government raids against Mexican immigrant workers led to the deportation of half a million.

Today, despite a sea change in organized labor's views on foreign workers, we hear some disturbing echoes of the 1930s in the enthusiastic embrace of Lou Dobbs by a number of unions as a champion of the middle class, fair trade, and made-in-America. This is despite Dobbs' obsession with keeping immigrants out.

WRONG BEDFELLOWS

Buy America campaigns often partner unions with corporations, as in the

United Steelworkers' "Support American Manufacturing" initiative. But steel is a global industry, and sourcing decisions are not made on the basis of patriotism. Unions end up allying with the same companies that are attacking workers on every other front.

Dave Dowling, the USW leader who organized the Granite City rally, says the partnership is tactical. His members have no illusions about U.S. Steel. "Members understand why we do these things," Dowling said. "They know the company would sell us down the river if it suited their needs. Shouldn't we be able to talk about the decline of American manufacturing capacity and the loss of jobs without being called protectionist?"

WRONG DEBATE

This is the wrong debate, where the alternatives are either corporate-led globalization, with multinationals roaming the world for cheap labor, or protectionist nationalism, with these same multinationals distracting us with a phony show of patriotism to divide us from other workers.

So how should labor frame the discussion? How do we support good jobs without playing workers against each other at home and globally?

Unions gained leverage in the U.S. when we could take wages out of competition by organizing entire industries. In today's global labor market wages are again in competition, and it's still our job to equalize wages so that corporations can't whipsaw us.

Some unions

Can Consumers Save Jobs?

Have Buy American campaigns saved jobs? Perhaps in a few niches like uniforms and work shoes. While some of us relish sporting U.S.-made New Balance tennis shoes or finding the last pocket folder made in America, most people split their consumer and worker selves in two.

They want good American jobs, but as wages go down, many say, "I can't afford not to shop at Wal-Mart."

In January Ed Linton from Independence, Missouri, wrote the *Kansas City Star*, "Wake up America: Whatever happened to 'Be American, buy American'? Think about this when you are driving around in your foreign brand automobile. Where do you think the profits go? I am proud to drive my Chevy Tahoe."

Aside from the fact that some Tahoes are made in Mexico, Ed is blaming the wrong people for our economic mess. Consumers don't make decisions to move jobs, corporations do, and elected officials fix the rules and incentives on their behalf.

Besides, like your AT&T phone service, very few things are exclusively made in America.

Buy America campaigns aimed at consumers are different from the economic stimulus bill aimed at job creation. It seems reasonable that taxpayer money to stimulate the economy should be used to create jobs in the U.S.

—Judy Ancel



An AFL-CIO Union Label flyer urges the consumer to "Be an Economic Patriot."

have made first steps. The Steelworkers' campaign for locals to adopt 3,000 families of striking Mexican workers at the Cananea copper mines brings tangible solidarity to the embattled workers and constructs worker-to-worker relationships as well.

Contrast that to the Teamsters' campaign against NAFTA rules that allowed Mexican trucks to drive across the border. It played well on the talk shows, many of which made no distinction between unsafe trucks and their drivers, but it did nothing to build ties with Mexican truckers, many of whom work for the same companies as the Teamsters, or to raise the real issue of quality jobs for truckers.

We don't have to decide between corporate-led globalization and protectionist nationalism, with multinationals using patriotism to divide workers.

In the short run, the Teamsters were successful, but our challenge in a global economy is to organize along such production chains because our power is based on solidarity, not competition.

At the very least, unions can build worker-to-worker ties and give members the tools to critique the economic nationalists like Lou Dobbs.

Finally, a movement for good jobs around the world must allow nations to make comprehensive plans shaped to fit each country's needs and structured so that workers are not pitted against each other.

In the U.S., at the least, we need a comprehensive and sustainable policy of investment in manufacturing, education, training, national health care, and reconstruction of a social safety net, and we need trade and development policies which reverse the race to the bottom by protecting workers' rights to organize, strengthening environmental standards, and fostering just and democratic decision-making on economic development.

For workers, neither bailouts nor Buy American will fix our broken system. □

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